



The Commonwealth of Massachusetts

AO-9

Office of Campaign & Political Finance

Dennis J. Duffin
Director

One Ashburton Place, Room 1005 Boston, MA 02108

727-8352

August 23, 1982

Mr. John W. Sears
73 Tremont Street
Suite 911
Boston, MA 02108

Dear Mr. Sears:

Thank you very much for your letter of August 19, 1982 in which you ask "If I were to take out a personal loan for \$50,000 and loaned the money to the John W. Sears Campaign Committee for use in paying campaign expenses, can funds that my campaign is to receive next week from Matching Public Financing be used as repayment for the \$50,000 loan?"

M.G.L. c. 55, Section 1, defines a contribution, in relevant part, as "a contribution of money or anything of value to an individual, candidate, political committee, or person acting on behalf of said individual, candidate or political committee, for the purpose of influencing the nomination or election of said individual or candidate... and shall include any (1) gift, subscription, loan, advance, deposit of money, or thing of value, except a loan of money to a candidate by a national or state bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business;..." Therefore, it would be permissible for you to obtain a personal loan from a national or state bank in accordance with the foregoing requirements. In turn, you may make a loan to your political committee which should be reported on the contribution form, indentifying it as a loan.

M.G.L. c. 55A, which regulates the limited public financing of campaigns for statewide elective office, states in section 9, "If the director determines that any portion of the payment made to a candidate under this chapter for use in his state election campaign was used for any purpose other than to defray campaign expenditures in that campaign, or to repay loans the proceeds of which were used to defray campaign expenditures in that campaign, the director shall so notify the candidate and he shall thereupon pay an amount equal to the full amount so used to the state treasurer without regard to the source of the funds so used." Accordingly, your political committee may use its public financing payment to reimburse you for the loan, provided that the money loaned by you was properly expended by your political committee. Pursuant to section 1, a permissible expenditure is "any expenditure of money, or anything of value, by an individual, candidate, or political committee, or a person acting on behalf of said individual, candidate, or political committee, for the purpose of influencing the nomination or election of said individ-

ual or candidate,...and shall include: (1) any purchase, payment distribution, loan, advance, deposit, or gift of money, or anything of value; and (2) any transfer of money or anything of value between political committees..." In addition, section 6, states "A political committee organized or operating on behalf of a candidate for the office of governor, lieutenant governor, attorney general, state secretary, treasurer and receiver general, or auditor may receive pay and expend money or other things of value for reasonable and necessary expenses directly related to the campaign of the candidate but shall not make any expenditure that is primarily for the candidates' or any other person's personal use..."

In conclusion, it is my opinion that you may obtain a personal loan from a national or state bank in accordance with the requirements set forth above, that you may then make a loan to your political committee, and your political committee may use funds obtained through public financing to repay the loan, provided the payment is made to you and furthermore, provided that the loan was used to defray permissible campaign expenditures.

Very truly yours,



Dennis J. Duffin
Director

DJD/rep